

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt Governor Kathleen Clarke Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

September 26, 2000

CERTIFIED RETURN RECEIPT Z 230 748 252

William Moeller Clifton Mining Company 70 West Canyon Crest Road, Suite D Alpine, Utah 84004

Re: Conditional Tentative Approval, Clifton Mining Company, Cactus Mill, M/045/049,

Tooele County, Utah

Dear Mr. Moeller:

The Division has completed a final review of your Notice of Intention to Commence Large Mining Operations for your Cactus Millsite, located in Tooele County, Utah, which was received August 24, 2000. After reviewing the information, The Division hereby grants *conditional* tentative approval of the Cactus Mill large mining permit application. We will not be able to publish a formal notice of tentative approval until the conditions are addressed. Once we receive an adequate response to these conditions, we will proceed to publish a formal notice of tentative approval in the appropriate Tooele and Salt Lake County newspapers. This will begin the required 30-day public comment period. If no substantive comments are received during the public comment period, we will then be prepared to issue final approval for this project after the required reclamation surety and Reclamation Contract documents are received.

The conditions are listed under the applicable Minerals Rule heading in the attached document. Please format your response in a similar fashion. A draft copy of our reclamation surety cost estimate and a Reclamation Contract (Form MR-RC) are attached. Please let us know what form of surety you wish to post so that we can send you the required forms. If necessary, we will make necessary adjustments to the draft cost estimate once we receive the information tied to this conditional approval. The final surety amount must be received by the end of the 30-day public comment period. Please provide the required information to address these conditions within 60 days of your receipt of this letter.

Page 2 Bill Moeller M/045/049 September 26, 2000

If you have any questions in this regard please contact me, Tom Munson, Lynn Kunzler, or Doug Jensen of the Minerals Staff. Thank you for your cooperation in completing this permitting action.

Sincerely,

D. Wayne Hedberg
Permit Supervisor

Minerals Regulatory Program

jb Attachment: Conditions, Form MR-RC & Reclamation cost estimate m45-49-cond-apv

Conditional Tentative Approval

Clifton Mining Company Cactus Millsite

M/045/049

R647-4-106 - Operation Plan

Clifton Mining Company requested that the Division assist in obtaining the soils and vegetation data. It is not possible for us to complete this task given our current work load. We can assist you with laboratory contacts and/or the names of possible consultants to consider, if you desire.

Identification of the area of the 0.83 acres of hydro-seeding will be necessary for the final reclamation contract. Please indicate where this area is located on the reclamation treatments map.

106.5 Existing soil types, location, amount

The plan submitted indicates that much of the native soil material was used in the dikes of the ponds. Please provide an estimate of the volume of soil materials within the dikes. Please provide a laboratory analysis of the this soil material as well as any substitute soil material (e.g. tailings) that will be used in reclamation. Each soil material will need to be analyzed for each parameter on the attached list. (LK)

106.7 Existing vegetation - species and amount

Please submit a vegetation survey that identifies the plant species and the percent of ground cover that exists (or is presumed to have existed) on the area affected by this operation. Since most of the operational area is already disturbed, this survey should be conducted on a representative undisturbed area located adjacent to the mill site. This survey is required to establish the reclamation success standards and to fine tune the revegetation plan. (LK)

Division of Oil, Gas and Mining

Minerals Program

Baseline Soils and Overburden Requirements

Provide an order 3 soil survey and a soils map which describes and identifies the extent of each soils type within the permit area (it may be possible to obtain this information and map from the Natural Resources Conservation Service, formerly the Soil Conservation Service). The soils map must show the location(s) of any proposed topsoil and overburden (suitable substitute soil materials) stockpiles.

Provide a volume estimate of soil material that can be salvaged and used later for reclamation (please note, even an inch or two of topsoil can greatly improve reclamation success).

A laboratory soil analysis will need to be obtained for each soil type to be disturbed, and for each substitute soil material to be used for reclamation. This analysis is needed to evaluate the suitability of

Page 2 Conditional Approval M/045/049 September 25, 2000

the soil materials and the need for (and rate of) any soil amendments and/or fertilizers to help ensure revegetation success.

Recommended Laboratory Analyses

for each soil type to be disturbed or proposed substitute soil materials

| 1. | Texture | 8. | Alkalinity |
|----|--------------------------------|-----|--|
| 2. | pH | 9. | Sulfur (acid potential) |
| 3. | EC (conductivity) | 10. | CaCO ₃ |
| 4. | SAR | 11. | Total nitrogen |
| 5. | Saturation Percentage | 12. | Nitrate nitrogen |
| 6. | Percent Organic Matter | 13. | Phosphorus (as P ₂ O ₅) |
| 7. | CEC (cation exchange capacity) | 14. | Potassium (as K ₂ O) |
| | | | |

Note: each soil sample needs to be about 1-1/2 $\,$ quarts in volume $\,$ Updated January, 2000

R647-4-113 - Surety

Soil amendment is calculated at 10 tons/acre of composted manure. This amount will be adjusted if, as a result of soil testing, this level of nutrient will not be required. (DJ)

M45-49-cond-apv

| 1 F | RECLAMATION SURETY IMATE | | | | | |
|----------|---|-----------------|------------------------|--------------------|------------|-------|
| | Clifton Mining Company | | last revision | 09/19/00 | | |
| | Cactus Mill | filename M045-0 | 49.WB2 | page "estimate D8" | | |
| 1 1 | 1/045/049 | Tooele C | county | | | |
| | Prepared by Utah State Division of Oil, Gas & Mi | ning | | | | |
| - | This estimate uses a D8 size dozer for most earthwo | rk | | | | |
| | | | | | 0.4 | |
| 7 N | lote: actual unit costs may vary according to site co | | | | 2-Aug-2000 | 16.00 |
| 3 -/ | Amount of disturbed area which will receive reclama | nts = | 8.9 acres 8.9 acres | | | |
| 9 -1 | Estimated total disturbed area for this mine = | Overstitus | Linito | \$/unit | \$ | Note |
| 0 | <u>Activity</u> | Quantity | <u>Units</u> | 200 | 200 | (1) |
| 1 5 | Safety gates, signs, etc. (mtls & installation) | 3' | sum | 200 | 200 | (") |
| 2 | 0.6-222 | 15000 | CF | 0.24 | 3,600 | (2) |
| | Demolition of buildings & facilities | | trips | 50 | 1,100 | (3) |
| 4 | Debris & equipment removal - trucking | | ton | 55 | 0 | (4) |
| | Debris & equipment removal - dump fees | | hours | 166 | 3,984 | (5) |
| | Debris & equipment removal - loading trucks w/FE loader | | hours | 15 | 1,680 | (6 |
| , [| Demolition & debris removal - general labor | | acre | 502 | 502 | (7 |
| 3 1 | Regrading facilities areas (1 ft depth) Demolish buildings with backhoe | | hours | 150 | 3,600 | 130 |
| | Demolish buildings with backhoe | | | | | |
| 4 5 F | Ripping entire millsite prior to seeding | 7.1 | acre | 234 | 1,661 | (9 |
| 8 | Appling critice fillions prior to occurry | | | | | |
| | Ripping access roads - dozer | | acre | 234 | 421 | (9 |
| | Sidecast mtl replacement on steep roads- trackhoe | 900 | LF | 1.09 | 981 | 1 ' |
| | Regrade tailings pond | 2.47 | acre | 411 | 1,015 | (10 |
| 3 | | | 0)/ | 0.50 | 45 | 111 |
| 4 | Topsoil replacement - dozer | 90 | CY | 0.50 | 45 | (12 |
| 7 | | 0.0 | | 300 | 2,670 | (0 |
| | Composted manure (10 ton/acre) | | acre | 170 | 1,377 | , |
| | Broadcast seeding | | acre | 800 | 640 | 100 |
| 3 | Hydroseeding | 0.8 | acre | 000 | 040 | 10 |
| 4 | | 6.4 | acre | 50 | 320 | (0 |
| 5 | General site cleanup & trash removal | 0 | acie | 00 | | () |
| 66 | | 1 | equip | 1000 | 4,000 | (0 |
| 57 | Equipment mobilization | 7 | equip | , 000 | | 1, |
| 58 | Designation Cuponicion | | days | 386 | 1,930 | (1 |
| | Reclamation Supervision | ` | Subtotal | | 29,727 | |
| 30 | 10% Contingency | | | | 2,973 | |
| 140 | 10 /0 Contingency | | Subtotal | | \$32,699 | |
| 62 63 | Escalate for 5 years at 3.13% per yr | | | la la caractería | 5,448 | _ |
| 64 | | | Total | | \$38,147 | 7 |



65

Average cost per disturbed acre =

\$38,100

Rounded surety amount in yr 2005-\$

\$4,281

RECLAMATION SURETY ESTIMA

Clifton Mining Company

Cactus Mill M/045/049

filename M045-049 WR2 Tooele County

Prepared by Utah State Division of Oil, Gas & Mining

08/02/00

Note

DOGM lump sum assumed (1)

last unit cost update

Means Heavy Construction Cost Data 2000, 02220-100-0100, mix of bldg. types, avg., excluding dump fees

Means 2000, 02225-730-5100, bldg demo, rubbish handling, \$0.50/CY permile for >8CY truck; assumed 100 miles round trip (3)

Means 2000, 02225-740-0100, dump charges, typical urban city, tipping fees only, bldg construction mtls (4)

Rental Rate Blue Book 3Q/00, Cat 988B, 7CY \$85.64hr+\$39.60/hr, & Means 2000, Crew B-10U, loading trucks only\$40.87 (5)

DOGM assumed wage for unskilled general labor (6)

Means 2000 & Blue Book 3Q/00: Cat D8N, U, mtl 2550 lb/CY, 50 ft push, 1 ft depth (7)

Means 2000 & Blue Book 3Q/00: Cat D8N, U, mtl 2550 lb/CY, 100 ft push

Means 2000 & Blue Book 3Q/00: Cat D8N, U, multi shank rippers, speed 1.0 mph (9)

Means 2000 & Blue Book 3Q/00: Cat D8N, U, mtl 2550 lb/CY, 50 ft push, used avg vol 0.5CY/LF-berm (10)

Means 2000 & Blue Book 3Q/00: Cat D8N, U, mtl 2550 lb/CY, 100 ft push (12)

Means 2000 & Blue Book 3Q/00: Cat 627F P-P, mtl 2550 lb/CY, 2,000 ft haul one-way, grade +/- 4%, (13)

Means 2000 02320-200-2030: earthwork, hauling excavated or borrow material, off highway hauler, 22 CY, 1 mile round trip, no loading inclu (14)

(00)DOGM general estimate - mulching

(00) DOGM general estimate - fertilizing

(00) DOGM general estimate - manure \$16/ton delivered, \$14 ton/acre spreading

(00) DOGM general estimate - broadcast seeding

(00) DOGM general estimate - drill seeding

DOGM general estimate - hydroseeding (00)

DOGM general estimate - site cleanup & trash removal (00)

DOGM general estimate - equipment mobilization (00)

(15) Means 2000, 01300-700-0180, project manager, minimum \$1,930/wk

